

Sharon Hospital
P.O. Box 789
50 Hospital Hill Road
Sharon, CT 06069

facsimile transmittal

To: Commissioner Vogel

Fax: 860-418-7053

From: Daniel Kelly

Date: 10/1/2004

Re: Letter of Intent

Pages: 11

CC:

☐ Urgent

☒ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

Notes:

RECEIVED

2004 OCT -4 AM 9:21

COMMITTEE OFFICE OF
HEALTH CARE ACCESS

P.O. Box 789
50 Hospital Hill Road
Sharon, CT 06069
860 364 4141
FAX 860-364-4011



SHARON
HOSPITAL

October 1, 2004

Ms. Cristine A. Vogel, Commissioner
Office of Healthcare Access
State of Connecticut
410 Capital Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Dear Ms. Vogel,

Please find enclosed the Letter of Intent from Sharon Hospital to provide Lithotripsy Services.
Please contact me at (860) 364-4085 if you require any further information.

Sincerely yours,

Daniel R. Kelly
President & Chief Executive Officer
Enclosure (1)

RECEIVED
2004 OCT -4 AM 9:21
OFFICE OF
HEALTH CARE ACCESS



**State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION 1. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Essent Healthcare of CT, Inc.	
Doing Business As	Sharon Hospital	
Name of Parent Corporation	Essent Healthcare, Inc.	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	50 Hospital Road Sharon, CT 06069	
Applicant type (e.g., profit/non-profit)	For Profit Acute Care Hospital	
Contact person, including title or position	Ann Moore Esquire	
Contact person's street mailing address	18 Parkland Place Milford, CT 06460	
Contact person's phone #, fax # and e-mail address	203-0521-2471 203-876-2014 fax	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Establish a Lithotripsy Service

b. Type of Proposal, please check all that apply:

☒ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:☒ New (F, S, Fnc)☐ Replacement☐ Additional (F, S, Fnc)☐ Expansion (F, S, Fnc)☐ Relocation☐ Service Termination☐ Bed Addition☐ Bed Reduction☐ Change in Ownership/Control☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:☐ Project expenditure/cost cost greater than \$ 1,000,000☒ Equipment Acquisition greater than \$ 400,000☒ New☐ Replacement☐ Major Medical☐ Imaging☐ Linear Accelerator☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

Sharon Hospital
50 Hospital Hill Road, Sharon, CTd. List all the municipalities this project is intended to serve:
This project is intended to serve patients living in the municipalities in the Primary Service Area of the Hospital.

e. Estimated starting date for the project: January 1, 2005

Form 2030
Revised 8/02

- f. Type of project: 23 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: \$ 600,000.00
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	
Sales Tax	
Delivery & Installation	
Total Capital Expenditure	\$
Fair Market Value of Leased Equipment	\$ 600,000.00
Total Capital Cost	\$ 600,000.00

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Lithotripter, together with x-ray control unit, ultrasound control unit, and treatment table				\$600,000.00*
				*Estimated

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- ☐ Applicant's Equity ☒ Lease Financing ☐ Conventional Loan
☐ Charitable Contributions ☐ CHEFA Financing ☐ Grant Funding
☐ Funded Depreciation ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- ☐ This request is for Replacement Equipment.
- ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____
- ☐ The cost of the equipment is not to exceed \$2,000,000.
- ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT**Applicant:** Sharon Hospital**Project Title:** Establish a Lithotripsy Service

I, Daniel Kelly, President and CEO of Sharon Hospital being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Sharon Hospital complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

D. Kelly
Signature

Date

10/1/04Subscribed and sworn to before me on October 1, 2004

Colleen A. Hunt
Notary Public/Commissioner of Superior Court

My commission expires: June 30, 2008

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy X
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

Program Description – Establishing a Lithotripsy Service at Sharon Hospital

Sharon Hospital and members of its medical staff propose to establish a portable lithotripsy service for patients who use Sharon Hospital. This will be accomplished through a fee for service arrangement with an outside vendor, Connecticut Lithotripsy, LLC. Sharon Hospital will be charged on a per procedure basis. CONNECTICUT LITHOTRIPSY, LLC. is a mobile provider servicing other Connecticut hospitals. CONNECTICUT LITHOTRIPSY, LLC. will provide a transportable lithotripsy unit and the service will be provided in the hospital's operating rooms with CONNECTICUT LITHOTRIPSY, LLC. staff operating the unit and assisting the urologist. CONNECTICUT LITHOTRIPSY, LLC. will use a HealthTronics LithoTron lithotripter. This unit shortens treatment time and facilitates stone localization. The fair market value of the lithotripsy equipment is \$600,000.00 All equipment, personnel and supplies to perform the procedure are included in the cost of the procedure. This leasing arrangement will allow the hospital to offer the service without incurring any fixed costs. Patients would be admitted and discharged through the hospital's Ambulatory Care Unit ("ACU") Same Day Surgery program. Sharon Hospital is a short-term acute care hospital with a license from the Department of Public Health. (A copy of the license is attached as Appendix A). As such, no additional license will be required to provide lithotripsy.

The proposed service will initially be available one day per month with capacity expanded as needed to accommodate increases in patient demand. Urologists on staff at Sharon Hospital will provide the physician services for the lithotripsy service. They currently take patients to an alternate location in Winsted, Connecticut which will no longer accommodate these patients. Sharon Hospital intends to provide these services for the residents of Sharon Hospital's service area as there are no other existing providers in Sharon Hospital's Primary Service Area. This initiative will improve the overall quality of care to patients in the region.

The lithotripsy service will augment available care for patients who present with kidney stones and improve the overall quality of care to patients in the service area. Kidney stones are one of the most common disorders of the urinary tract. Current studies suggest kidney stones affect up to 13% Americans at some point in their lives with an estimated 13 million Americans seeking medical help each year. The overall incidence of kidney stones has been increasing over the past twenty years.

Service scheduling and availability of physicians is important in building patient volume as well as the frequency of the mobile capacity to accommodate growth in demand. The "Maine Standard" employs a use rate of 71.1 lithotripsy procedures per 100,000 in

population. Sharon Hospital's service area is a population of 50,000, resulting in an annualized volume of 36 procedures (3 per month) for a program at Sharon Hospital. Hospital internal studies indicate that the program is financially feasible.

Quality guidelines established by the American Lithotripsy Society will be followed as to 1.) extracorporeal renal lithotripsy, 2.) criteria for patient selection, 3.) pre-treatment evaluation, 4.) treatment parameters, and 5.) post-treatment evaluation.

Other providers of lithotripsy services exist outside of Sharon Hospital's primary service area. These include programs at Danbury Hospital, Waterbury Hospital, and Charlotte Hungerford Hospital. A CON application for New Milford Hospital is currently pending.

Sharon Hospital has sufficient financial, managerial, and technical competence to provide efficient and adequate service to the public. All existing payers that have contracts with the hospital will be the payer sources for the proposed lithotripsy program.

STATE OF CONNECTICUT

Attachment A

Department of Public Health

LICENSE

License No. 0071

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Essent Healthcare of Connecticut, Inc. of Sharon, CT, d/b/a Sharon Hospital is hereby licensed to maintain and operate a General Hospital.

Sharon Hospital is located at P.O. Box 789, 50 Hospital Hill Road, Sharon, CT 06069

The maximum number of beds shall not exceed at any time:

16 Bassinets

78 General Hospital beds

This license expires **March 31, 2006** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2004. RENEWAL.



J Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.,
Commissioner